

RECORDATION NO. 29444 FILED

AUG 27 '10 -10 00 AM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

August 27, 2010

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of August 24, 2010, a primary document as defined in the Board's Rules for the Recordation of Documents

The names and addresses of the parties to the enclosed document are:

Secured Party: The Frost National Bank
P.O. Box 1600
San Antonio, Texas 78296

Debtor: Georgetown Rail Equipment Company
111 W. Cooperative Way
Georgetown, Texas 78626

Chief, Section of Administration
August 27, 2010
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A description of the railroad equipment covered by the enclosed document is:

1 Eleven Car Slot Machine GREX 60470
1 power unit GREX 6002

A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$41 00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a horizontal line extending to the right.

Robert W. Alvord

RWA/bhs
Enclosures

AUG 27 '10 -10 00 AM

MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") dated as of August 24, 2010, is made by and between **GEORGETOWN RAIL EQUIPMENT COMPANY**, a Texas corporation (hereinafter called "Debtor"), whose address is 111 W. Cooperative Way, Georgetown, Williamson County, Texas 78626, and whose organizational number is TX126446400, and **THE FROST NATIONAL BANK**, a national banking association ("Secured Party"), whose address is P.O. Box 1600, San Antonio, Bexar County, Texas 78296. The parties hereto for good and valuable consideration hereby state the following:

1. Debtor and Secured Party are parties to that certain Security Agreement dated as of August 18, 2010 (the "Security Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given in the Security Agreement), whereby, as security for the Indebtedness, Debtor, for value received, pledged and granted to Secured Party a continuing security interest in the railroad equipment more specifically identified on Exhibit A attached hereto and made a part hereof (the "Collateral").

2. Debtor's obligations under the Loan Documents are evidenced by and payable in accordance with the Loan Documents.

3. Pursuant to the terms of the Loan Documents and to secure the payment and performance of any and all of Debtor's obligations to Secured Party, Debtor granted to Secured Party a first priority security interest in the Collateral, together with all products and proceeds of all of the foregoing (including without limitation, insurance payable by reason of loss or damage to the Collateral) and any property, securities, guaranties or monies of Debtor which may at any time come into the possession of Secured Party.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

DEBTOR:

GEORGETOWN RAIL EQUIPMENT
COMPANY, a Texas corporation

By: William Shell
William Shell, President

SECURED PARTY:

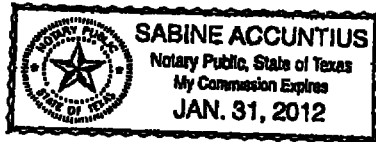
THE FROST NATIONAL BANK,
a national banking association

By: Charles Colley
Name: Charles Colley
Title: Senior Vice President

STATE OF TEXAS §

COUNTY OF Williamson

This instrument was acknowledged before on the 24th day of August, 2010, by William Shell, President of Georgetown Rail Equipment Company, a Texas corporation, on behalf of said corporation.

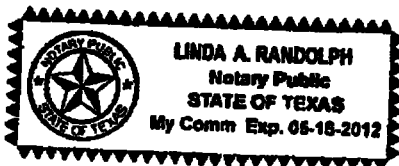


Sabine Accuntius
Notary Public – State of Texas

STATE OF TEXAS §

COUNTY OF Travis §

This instrument was acknowledged before on the 24th day of August, 2010, by Charles Colley of The Frost National Bank, a national banking association, on behalf of said national banking association.



Linda A. Randolph
Notary Public – State of Texas

EXHIBIT A

One (1) Eleven (11) Car Slot Machine, identified as car GREX 60470 and one (1) power unit GREX 6002.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 8/27/10



Robert W. Alvord